

HOUSE BILL No. 1283

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3.1.

Synopsis: Property tax abatement. Permits a city, town, or county to approve property tax abatements for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment anywhere within its jurisdiction instead of limiting those abatements to economic revitalization areas. Repeals the prohibition against approval of new tax abatements after December 31, 2005. Repeals the limitation of tax abatements for new logistical distribution equipment and new information technology equipment to certain counties located along Interstate Highway 69. Makes conforming changes.

Effective: July 1, 2005.

Borrer, Dodge, Stutzman, Austin

January 11, 2005, read first time and referred to Committee on Commerce, Economic Development and Small Business.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1283

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-12.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residually distressed area, except as otherwise



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provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means any tangible personal property which:

(A) was installed after February 28, 1983; ~~and before January 1, 2006; in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;~~

(B) is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(C) was acquired by its owner for use as described in clause (B) and was never before used by its owner for any purpose in Indiana.

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before ~~the area where the property is located was designated as an economic revitalization area~~ or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) "Deduction application" means either:

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- 1 (A) the application filed in accordance with section 5 of this
 2 chapter by a property owner who desires to obtain the
 3 deduction provided by section 3 of this chapter; or
 4 (B) the application filed in accordance with ~~section 5.5~~ **section**
 5 **5.4** of this chapter by a person who desires to obtain the
 6 deduction provided by section 4.5 of this chapter.
- 7 (9) "Designation application" means an application that is filed
 8 with a designating body to assist that body in making a
 9 determination about whether a particular area should be
 10 designated as an economic revitalization area.
- 11 (10) "Hazardous waste" has the meaning set forth in
 12 IC 13-11-2-99(a). The term includes waste determined to be a
 13 hazardous waste under IC 13-22-2-3(b).
- 14 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).
 15 However, the term does not include dead animals or any animal
 16 solid or semisolid wastes.
- 17 (12) "New research and development equipment" means tangible
 18 personal property that:
 19 (A) is installed after June 30, 2000; ~~and before January 1,~~
 20 ~~2006; in an economic revitalization area in which a deduction~~
 21 ~~for tangible personal property is allowed;~~
 22 (B) consists of:
 23 (i) laboratory equipment;
 24 (ii) research and development equipment;
 25 (iii) computers and computer software;
 26 (iv) telecommunications equipment; or
 27 (v) testing equipment;
 28 (C) is used in research and development activities devoted
 29 directly and exclusively to experimental or laboratory research
 30 and development for new products, new uses of existing
 31 products, or improving or testing existing products; and
 32 (D) is acquired by the property owner for purposes described
 33 in this subdivision and was never before used by the owner for
 34 any purpose in Indiana.
- 35 The term does not include equipment installed in facilities used
 36 for or in connection with efficiency surveys, management studies,
 37 consumer surveys, economic surveys, advertising or promotion,
 38 or research in connection with literacy, history, or similar
 39 projects.
- 40 (13) "New logistical distribution equipment" means tangible
 41 personal property that:
 42 (A) is installed after June 30, 2004; ~~and before January 1,~~

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2006; in an economic revitalization area:

- (i) in which a deduction for tangible personal property is allowed; and
- (ii) located in a county referred to in section 2.3 of this chapter, subject to section 2.3(c) of this chapter;

(B) consists of:

- (i) racking equipment;
- (ii) scanning or coding equipment;
- (iii) separators;
- (iv) conveyors;
- (v) fork lifts or lifting equipment (including "walk behinds");
- (vi) transitional moving equipment;
- (vii) packaging equipment;
- (viii) sorting and picking equipment; or
- (ix) software for technology used in logistical distribution;

(C) is used for the storage or distribution of goods, services, or information; and

(D) before being used as described in clause (C), was never used by its owner for any purpose in Indiana.

(14) "New information technology equipment" means tangible personal property that:

(A) is installed after June 30, 2004; and before January 1, 2006; in an economic revitalization area:

- (i) in which a deduction for tangible personal property is allowed; and
- (ii) located in a county referred to in section 2.3 of this chapter, subject to section 2.3(c) of this chapter;

(B) consists of equipment, including software, used in the fields of:

- (i) information processing;
- (ii) office automation;
- (iii) telecommunication facilities and networks;
- (iv) informatics;
- (v) network administration;
- (vi) software development; and
- (vii) fiber optics; and

(C) before being installed as described in clause (A), was never used by its owner for any purpose in Indiana.

SECTION 2. IC 6-1.1-12.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A designating body may:

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(1) find that a particular area within its jurisdiction is an economic revitalization area **for the purpose of approving deductions under this chapter for the redevelopment or rehabilitation of property; or**

(2) approve deductions under this chapter for the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment located anywhere within the designating body's jurisdiction.

However, the designating body for a county may not establish an economic revitalization area or approve a deduction provided by under this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses: **property or equipment located in a city or town, or for a retail business.**

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

(A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or

(B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the

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additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) ~~To make a designation described in~~ **designate a particular area as an economic revitalization area or a residentially distressed area for purposes of** subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax ~~deductions~~ **deduction** provided by ~~sections section 3 and 4.5~~ of this chapter ~~are~~ **is** only available within an area which the designating body finds to be an economic revitalization area. **The property tax deduction provided by section 4.5 of this chapter is available anywhere within the designating body's jurisdiction.**

(g) The designating body may adopt a resolution establishing general standards to be used **by the designating body**, along with the

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requirements set forth in the definition of economic revitalization area, ~~by the designating body~~ in finding an area to be an economic revitalization area **or in approving deductions under section 4.5 of this chapter.** The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following three (3) sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area **or for filing an application for a deduction under section 4.5 of this chapter.** The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, **or in approving a deduction under section 4.5 of this chapter,** the designating body may:

(1) limit the time period to a certain number of calendar years during which ~~the an economic revitalization~~ area shall be so designated;

~~(2) limit the type of deductions that will be allowed within the economic revitalization area to either the deduction allowed under section 3 of this chapter or the deduction allowed under section 4.5 of this chapter;~~

~~(3)~~ (2) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

~~(4)~~ (3) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988; or

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(5) (4) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 or 4.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed before January 1, 2006, but after the expiration of the economic revitalization area if:

(A) the economic revitalization area designation expires after December 30, 1995; and

(B) the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4 or 4.5 of this chapter.

(k) Notwithstanding any other provision of this chapter, deductions:

(1) that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction

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that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) If **an application for a property tax deduction provided by this chapter is filed for** property located in an ~~economic revitalization area is also located in an~~ allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), ~~an the application for the property tax deduction provided by this chapter~~ may not be approved unless the commission that designated the allocation area adopts a resolution approving the application.

SECTION 3. IC 6-1.1-12.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) An applicant **for a deduction under this chapter for the redevelopment or rehabilitation of property** must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the proposed redevelopment or rehabilitation.
- (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.
- (3) An estimate of the value of the redevelopment or rehabilitation.

With the approval of the designating body, the statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area

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or whether a deduction should be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.

(2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction unless the findings required by this subsection are made in the affirmative.

(c) Except as provided in subsections (a) through (b), the owner of property which is located in an economic revitalization area is entitled to a deduction from the assessed value of the property. If the area is a residentially distressed area, the period is not more than five (5) years. For all other economic revitalization areas designated before July 1, 2000, the period is three (3), six (6), or ten (10) years. For all economic revitalization areas designated after June 30, 2000, the period is the number of years determined under subsection (d). The owner is entitled to a deduction if:

(1) the property has been rehabilitated; or

(2) the property is located on real estate which has been redeveloped.

The owner is entitled to the deduction for the first year, and any successive year or years, in which an increase in assessed value resulting from the rehabilitation or redevelopment occurs and for the following years determined under subsection (d). However, property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

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(d) For an area designated as an economic revitalization area after June 30, 2000, that is not a residentially distressed area, the designating body shall determine the number of years for which the property owner is entitled to a deduction. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(e) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city or a deduction related to redevelopment or rehabilitation of real property initiated before December 31, 1987, in areas designated as economic revitalization areas before that date, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

(1) Private or commercial golf course.

(2) Country club.

(3) Massage parlor.

(4) Tennis club.

(5) Skating facility (including roller skating, skateboarding, or ice skating).

(6) Racquet sport facility (including any handball or racquetball court).

(7) Hot tub facility.

(8) Suntan facility.

(9) Racetrack.

(10) Any facility the primary purpose of which is:

(A) retail food and beverage service;

(B) automobile sales or service; or

(C) other retail;

unless the facility is located in an economic development target area established under section 7 of this chapter.

(11) Residential, unless:

(A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and

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1 moderate income individuals;

2 (B) the facility is located in an economic development target
3 area established under section 7 of this chapter; or

4 (C) the area is designated as a residentially distressed area.

5 (12) A package liquor store that holds a liquor dealer's permit
6 under IC 7.1-3-10 or any other entity that is required to operate
7 under a license issued under IC 7.1. This subdivision does not
8 apply to an applicant that:

9 (A) was eligible for tax abatement under this chapter before
10 July 1, 1995;

11 (B) is described in IC 7.1-5-7-11; or

12 (C) operates a facility under:

13 (i) a beer wholesaler's permit under IC 7.1-3-3;

14 (ii) a liquor wholesaler's permit under IC 7.1-3-8; or

15 (iii) a wine wholesaler's permit under IC 7.1-3-13;

16 for which the applicant claims a deduction under this chapter.

17 (f) This subsection applies only to a county having a population of
18 more than two hundred thousand (200,000) but less than three hundred
19 thousand (300,000). Notwithstanding subsection (e)(11), in a county
20 subject to this subsection a designating body may, before September 1,
21 2000, approve a deduction under this chapter for the redevelopment or
22 rehabilitation of real property consisting of residential facilities that are
23 located in unincorporated areas of the county if the designating body
24 makes a finding that the facilities are needed to serve any combination
25 of the following:

26 (1) Elderly persons who are predominately low-income or
27 moderate-income persons.

28 (2) Disabled persons.

29 A designating body may adopt an ordinance approving a deduction
30 under this subsection only one (1) time. This subsection expires
31 January 1, 2011.

32 SECTION 4. IC 6-1.1-12.1-4 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Except as
34 provided in ~~section 2(i)(4)~~ **section 2(i)(3)** of this chapter, the amount
35 of the deduction which the property owner is entitled to receive under
36 section 3 of this chapter for a particular year equals the product of:

37 (1) the increase in the assessed value resulting from the
38 rehabilitation or redevelopment; multiplied by

39 (2) the percentage prescribed in the table set forth in subsection
40 (d).

41 (b) The amount of the deduction determined under subsection (a)
42 shall be adjusted in accordance with this subsection in the following

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1 circumstances:

2 (1) If a general reassessment of real property occurs within the

3 particular period of the deduction, the amount determined under

4 subsection (a)(1) shall be adjusted to reflect the percentage

5 increase or decrease in assessed valuation that resulted from the

6 general reassessment.

7 (2) If an appeal of an assessment is approved that results in a

8 reduction of the assessed value of the redeveloped or rehabilitated

9 property, the amount of any deduction shall be adjusted to reflect

10 the percentage decrease that resulted from the appeal.

11 The department of local government finance shall adopt rules under

12 IC 4-22-2 to implement this subsection.

13 (c) Property owners who had an area designated an urban

14 development area pursuant to an application filed prior to January 1,

15 1979, are only entitled to the deduction for the first through the fifth

16 years as provided in subsection (d)(10). In addition, property owners

17 who are entitled to a deduction under this chapter pursuant to an

18 application filed after December 31, 1978, and before January 1, 1986,

19 are entitled to a deduction for the first through the tenth years, as

20 provided in subsection (d)(10).

21 (d) The percentage to be used in calculating the deduction under

22 subsection (a) is as follows:

23 (1) For deductions allowed over a one (1) year period:

24 YEAR OF DEDUCTION PERCENTAGE

25 1st 100%

26 (2) For deductions allowed over a two (2) year period:

27 YEAR OF DEDUCTION PERCENTAGE

28 1st 100%

29 2nd 50%

30 (3) For deductions allowed over a three (3) year period:

31 YEAR OF DEDUCTION PERCENTAGE

32 1st 100%

33 2nd 66%

34 3rd 33%

35 (4) For deductions allowed over a four (4) year period:

36 YEAR OF DEDUCTION PERCENTAGE

37 1st 100%

38 2nd 75%

39 3rd 50%

40 4th 25%

41 (5) For deductions allowed over a five (5) year period:

42 YEAR OF DEDUCTION PERCENTAGE

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1	1st	100%
2	2nd	80%
3	3rd	60%
4	4th	40%
5	5th	20%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%

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1	9th	11%
2	(10) For deductions allowed over a ten (10) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	95%
6	3rd	80%
7	4th	65%
8	5th	50%
9	6th	40%
10	7th	30%
11	8th	20%
12	9th	10%
13	10th	5%

SECTION 5. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant **for a deduction under this chapter for the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment** must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before ~~the hearing specified in section 2.5(c) of this chapter or before~~ the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or

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whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

~~The statement of benefits may be incorporated in a designation application.~~ Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether ~~an area should be designated an economic revitalization area~~ or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be

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retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not ~~designate an area an economic revitalization area~~ or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) A designating body that makes the findings required by subsection (c) may adopt a resolution granting preliminary approval for a deduction for the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment described in the statement of benefits. The resolution must include a description of the equipment and a determination of the number of years for which the deduction is allowed. After approval of the resolution, the designating body shall do the following:

(1) Publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1.

(2) File the following information with each taxing unit that has authority to levy property taxes on equipment at the location described in the statement of benefits:

(A) A copy of the notice required by subdivision (1).

(B) A statement containing substantially the same information as a statement of benefits filed with the designating body.

The notice described in subdivision (1) must state that a description

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1 of the affected equipment is available and can be inspected in the
 2 county assessor's office. The notice must also name a date when the
 3 designating body will receive and hear all remonstrances and
 4 objections from interested persons. The designating body shall file
 5 the information required by subdivision (2) with the officers of the
 6 taxing unit who are authorized to fix budgets, tax rates, and tax
 7 levies under IC 6-1.1-17-5 at least ten (10) days before the date of
 8 the public hearing. After considering the evidence, the designating
 9 body shall take final action determining whether the qualifications
 10 for a deduction for the installation of new manufacturing
 11 equipment, new research and development equipment, new
 12 logistical distribution equipment, or new information technology
 13 equipment have been met and confirming, modifying and
 14 confirming, or rescinding the preliminary resolution. The
 15 determination is final except that an appeal may be taken and
 16 heard as provided under subsections (e) and (f). The designating
 17 body shall send a certified copy of a resolution that is confirmed,
 18 or modified and confirmed, under this subsection to the county
 19 assessor and the county auditor.

20 (e) A person who filed a written remonstrance with the
 21 designating body under subsection (d) and who is aggrieved by the
 22 final action taken may, within ten (10) days after the final action,
 23 initiate an appeal of the action by filing in the office of the clerk of
 24 the circuit or superior court a copy of the order of the designating
 25 body and the person's remonstrance against the order, together
 26 with the person's bond conditioned to pay the costs of the appeal
 27 if the appeal is determined against the person. The only ground of
 28 appeal that the court may hear is whether the proposed project will
 29 meet the qualifications of this chapter concerning deductions for
 30 the installation of new manufacturing equipment, new research
 31 and development equipment, new logistical distribution equipment,
 32 or new information technology equipment. The burden of proof is
 33 on the appellant.

34 (f) An appeal under subsection (e) shall be promptly heard by
 35 the court without a jury. All remonstrances upon which an appeal
 36 has been taken shall be consolidated and heard and determined
 37 within thirty (30) days after the time of the filing of the appeal. The
 38 court shall hear evidence on the appeal and may confirm the final
 39 action of the designating body or sustain the appeal. The judgment
 40 of the court is final and conclusive, unless an appeal is taken as in
 41 other civil actions.

42 ~~(d)~~ (g) Except as provided in subsection ~~(h)~~, (k), an owner of new

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1 manufacturing equipment, new research and development equipment,
 2 new logistical distribution equipment, or new information technology
 3 equipment whose statement of benefits is approved after June 30, 2000,
 4 is entitled to a deduction from the assessed value of that equipment for
 5 the number of years determined by the designating body under
 6 subsection ~~(g)~~ **(j)**. Except as provided in subsection ~~(f)~~ **(i)** and in
 7 ~~section 2(i)(3)~~ **section 2(i)(2)** of this chapter, the amount of the
 8 deduction that an owner is entitled to for a particular year equals the
 9 product of:

10 (1) the assessed value of the new manufacturing equipment, new
 11 research and development equipment, new logistical distribution
 12 equipment, or new information technology equipment in the year
 13 of deduction under the appropriate table set forth in subsection
 14 ~~(e)~~ **(h)**; multiplied by

15 (2) the percentage prescribed in the appropriate table set forth in
 16 subsection ~~(e)~~ **(h)**.

17 ~~(e)~~ **(h)** The percentage to be used in calculating the deduction under
 18 subsection ~~(d)~~ **(g)** is as follows:

19 (1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

23 (2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

28 (3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

34 (4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

41 (5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd	80%
3	3rd	60%
4	4th	40%
5	5th	20%
6	6th and thereafter	0%

(6) For deductions allowed over a six (6) year period:

8	YEAR OF DEDUCTION	PERCENTAGE
9	1st	100%
10	2nd	85%
11	3rd	66%
12	4th	50%
13	5th	34%
14	6th	25%
15	7th and thereafter	0%

(7) For deductions allowed over a seven (7) year period:

17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	85%
20	3rd	71%
21	4th	57%
22	5th	43%
23	6th	29%
24	7th	14%
25	8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

27	YEAR OF DEDUCTION	PERCENTAGE
28	1st	100%
29	2nd	88%
30	3rd	75%
31	4th	63%
32	5th	50%
33	6th	38%
34	7th	25%
35	8th	13%
36	9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

38	YEAR OF DEDUCTION	PERCENTAGE
39	1st	100%
40	2nd	88%
41	3rd	77%
42	4th	66%

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1	5th	55%
2	6th	44%
3	7th	33%
4	8th	22%
5	9th	11%
6	10th and thereafter	0%
7	(10) For deductions allowed over a ten (10) year period:	
8	YEAR OF DEDUCTION	PERCENTAGE
9	1st	100%
10	2nd	90%
11	3rd	80%
12	4th	70%
13	5th	60%
14	6th	50%
15	7th	40%
16	8th	30%
17	9th	20%
18	10th	10%
19	11th and thereafter	0%

(f) (i) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) (j) For an economic revitalization area designated a deduction approved under this section before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated a deduction approved under this section after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This If no determination shall be has been made

(1) by the designating body as part of the resolution adopted under section 2.5 of this chapter; or

(2) by subsection (d), the designating body shall adopt a

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resolution ~~adopted making the determination~~ within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

~~A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2):~~

~~(h)~~ **(k)** The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

SECTION 6. IC 6-1.1-12.1-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.6. (a) A designating body may adopt a resolution to authorize a property owner to relocate new manufacturing equipment for which a deduction is being granted under this chapter ~~The resolution may provide that the new manufacturing equipment may only be relocated to~~

~~(1) a new location within the same economic revitalization area;~~

~~or~~

~~(2) a new location within a different economic revitalization area if the area is within the jurisdiction of the designating body.~~

(b) Before adopting a resolution under this section, the designating body shall conduct a public hearing on the proposed resolution. Notice of the public hearing shall be published in accordance with IC 5-3-1. In addition, the designating body shall notify:

(1) each taxing unit within the original and the new economic revitalization area in which the new manufacturing equipment is located; and

(2) each taxing unit in which the new manufacturing equipment would be located after the proposed relocation;

of the proposed resolution, including the date and time of the public hearing. If a resolution is adopted under this section, the designating body shall deliver a copy of the adopted resolution to the county auditor within thirty (30) days after its adoption.

(c) New manufacturing equipment relocated under this section

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remains eligible for the assessed value deduction under this chapter. The same deduction percentage is to be applied as if the new manufacturing equipment had not been relocated.

SECTION 7. IC 6-1.1-12.1-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.7. (a) ~~Section 4.5(f)~~ **Section 4.5(i)** of this chapter does not apply to new manufacturing equipment located in a township having a population of more than four thousand (4,000) but less than seven thousand (7,000) located in a county having a population of more than forty thousand (40,000) but less than forty thousand nine hundred (40,900) if the total original cost of all new manufacturing equipment placed into service by the owner during the preceding sixty (60) months exceeds fifty million dollars (\$50,000,000), and if ~~the economic revitalization area in which the new~~ manufacturing equipment was installed ~~was in an economic revitalization area~~ approved by the designating body before September 1, 1994, **according to the provisions of this chapter as they existed on the date of that approval.**

(b) ~~Section 4.5(f)~~ **Section 4.5(i)** of this chapter does not apply to new manufacturing equipment located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) if:

(1) the total original cost of all new manufacturing equipment placed into service in the county by the owner exceeds five hundred million dollars (\$500,000,000); and

(2) the ~~economic revitalization area in which the new~~ manufacturing equipment was installed ~~was in an economic revitalization area~~ approved by the designating body before January 1, 2001, **according to the provisions of this chapter as they existed on the date of that approval.**

(c) A deduction under ~~section 4.5(d)~~ **section 4.5(g)** of this chapter is not allowed with respect to new manufacturing equipment described in subsection (b) in the first year the deduction is claimed or in subsequent years as permitted by ~~section 4.5(d)~~ **section 4.5(g)** of this chapter to the extent the deduction would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(d) The following apply for purposes of subsection (c):

(1) A deduction under ~~section 4.5(d)~~ **section 4.5(g)** of this chapter shall be disallowed only with respect to new manufacturing equipment installed after March 1, 2000.

(2) "Incremental net assessed value" means the sum of:

(A) the net assessed value of real property and depreciable

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personal property from which property tax revenues are required to be held in trust and pledged for the benefit of the owners of bonds issued by the redevelopment commission of a county described in subsection (b) under resolutions adopted November 16, 1998, and July 13, 2000 (as amended November 27, 2000); plus

(B) fifty-four million four hundred eighty-one thousand seven hundred seventy dollars (\$54,481,770).

(3) The assessed value of real property and personal property of the owner shall be determined after the deductions provided by sections 3 and 4.5 of this chapter.

(4) The personal property of the owner shall include inventory.

(5) The amount of deductions provided by section 4.5 of this chapter with respect to new manufacturing equipment that was installed on or before March 1, 2000, shall be increased from thirty-three and one-third percent (33 1/3%) of true tax value to one hundred percent (100%) of true tax value for assessment dates after February 28, 2001.

(e) A deduction not fully allowed under subsection (c) in the first year the deduction is claimed or in a subsequent year permitted by section 4.5 of this chapter shall be carried over and allowed as a deduction in succeeding years. A deduction that is carried over to a year but is not allowed in that year under this subsection shall be carried over and allowed as a deduction in succeeding years. The following apply for purposes of this subsection:

(1) A deduction that is carried over to a succeeding year is not allowed in that year to the extent that the deduction, together with:

(A) deductions otherwise allowed under section 3 of this chapter;

(B) deductions otherwise allowed under section 4.5 of this chapter; and

(C) other deductions carried over to the year under this subsection;

would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(2) Each time a deduction is carried over to a succeeding year, the deduction shall be reduced by the amount of the deduction that was allowed in the immediately preceding year.

(3) A deduction may not be carried over to a succeeding year under this subsection if such year is after the period specified in

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~~section 4.5(d)~~ **section 4.5(g)** of this chapter or the period specified in a resolution adopted by the designating body under ~~section 4.5(h)~~ **section 4.5(d)** of this chapter.

SECTION 8. IC 6-1.1-12.1-5.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter **for the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment** must file a certified deduction application on forms prescribed by the department of local government finance with the auditor of the county in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located. A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed must file the application between March 1 and the extended due date for that year.

(b) The deduction application required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Proof of the date the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction application with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information

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1 technology equipment for which a statement of benefits was initially
 2 approved after April 30, 1991. If a determination about the number of
 3 years the deduction is allowed has not been made in the resolution
 4 adopted under ~~section 2.5~~ **section 4.5(d)** of this chapter, the county
 5 auditor shall send a copy of the deduction application to the
 6 designating body, and the designating body shall adopt a resolution
 7 under ~~section 4.5(g)(2)~~ **section 4.5(j)** of this chapter.

8 (d) A deduction application must be filed under this section in the
 9 year in which the new manufacturing equipment, new research and
 10 development equipment, new logistical distribution equipment, or new
 11 information technology equipment is installed and in each of the
 12 immediately succeeding years the deduction is allowed.

13 (e) Subject to subsection (i), the county auditor shall:

14 (1) review the deduction application; and

15 (2) approve, deny, or alter the amount of the deduction.

16 Upon approval of the deduction application or alteration of the amount
 17 of the deduction, the county auditor shall make the deduction. The
 18 county auditor shall notify the county property tax assessment board of
 19 appeals of all deductions approved under this section.

20 (f) If the ownership of new manufacturing equipment, new research
 21 and development equipment, new logistical distribution equipment, or
 22 new information technology equipment changes, the deduction
 23 provided under section 4.5 of this chapter continues to apply to that
 24 equipment if the new owner:

25 (1) continues to use the equipment in compliance with any

26 standards established under section 2(g) of this chapter; and

27 (2) files the deduction applications required by this section.

28 (g) The amount of the deduction is the percentage under section 4.5
 29 of this chapter that would have applied if the ownership of the property
 30 had not changed multiplied by the assessed value of the equipment for
 31 the year the deduction is claimed by the new owner.

32 (h) A person may appeal the determination of the county auditor
 33 under subsection (e) by filing a complaint in the office of the clerk of
 34 the circuit or superior court not more than forty-five (45) days after the
 35 county auditor gives the person notice of the determination.

36 (i) Before the county auditor acts under subsection (e), the county
 37 auditor may request that the township assessor in which the property is
 38 located review the deduction application.

39 SECTION 9. IC 6-1.1-12.1-5.6 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.6. (a) This subsection
 41 applies to a property owner whose statement of benefits was approved
 42 under section 4.5 of this chapter before July 1, 1991. In addition to the

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requirements of ~~section 5.5(b)~~ **section 5.4(b)** of this chapter, a deduction application filed under ~~section 5.5~~ **section 5.4** of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) This subsection applies to a property owner whose statement of benefits was approved under section 4.5 of this chapter after June 30, 1991. In addition to the requirements of ~~section 5.5(b)~~ **section 5.4(b)** of this chapter, a property owner who files a deduction application under ~~section 5.5~~ **section 5.4** of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.5 of this chapter.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

- (1) The name and address of the taxpayer.
- (2) The location and description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the deduction was granted.
- (3) Any information concerning the number of employees at the facility where the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located, including estimated totals that were provided as part of the statement of benefits.
- (4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.
- (5) Any information concerning the amount of solid waste or hazardous waste converted into energy or other useful products by the new manufacturing equipment.
- (6) Any information concerning the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

- (1) Any information concerning the specific salaries paid to

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individual employees by the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) Any information concerning the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

SECTION 10. IC 6-1.1-12.1-11.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11.3. (a) This section applies only to the following requirements:

(1) Failure to provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) **or 4.5** of this chapter.

(2) Failure to submit the completed statement of benefits form to the designating body before the initiation of the redevelopment or rehabilitation or the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter.

(3) Failure to designate an area as an economic revitalization area before the initiation of the:

~~(A)~~ redevelopment

~~(B)~~ installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment; or

~~(C)~~ rehabilitation

for which the person desires to claim a deduction under this chapter.

(4) Failure to make the required findings of fact before designating an area as an economic revitalization area or authorizing a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment under section 2, 3, or 4.5 of this chapter.

(5) Failure to file a:

(A) timely; or

(B) complete;

deduction application under section 5 or 5.4 of this chapter.

(b) This section does not grant a designating body the authority to

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1 exempt a person from filing a statement of benefits or exempt a
2 designating body from making findings of fact.

3 (c) A designating body may by resolution waive noncompliance
4 described under subsection (a) under the terms and conditions specified
5 in the resolution. Before adopting a waiver under this subsection, the
6 designating body shall conduct a public hearing on the waiver.

7 SECTION 11. IC 6-1.1-12.1-12 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) A property
9 owner that has received a deduction under section 3 or 4.5 of this
10 chapter is subject to the provisions of this section if the designating
11 body adopts a resolution incorporating the provisions of this section:

12 (1) for the economic revitalization area in which the property
13 owner is located; **or**

14 **(2) in the approval of the deduction.**

15 (b) If:

16 (1) the property owner ceases operations at the facility for which
17 the deduction was granted; and

18 (2) the designating body finds that the property owner obtained
19 the deduction by intentionally providing false information
20 concerning the property owner's plans to continue operations at
21 the facility;

22 the property owner shall pay the amount determined under subsection
23 (e) to the county treasurer.

24 (c) A property owner may appeal the designating body's decision
25 under subsection (b) by filing a complaint in the office of the clerk of
26 the circuit or superior court together with a bond conditioned to pay the
27 costs of the appeal if the appeal is determined against the property
28 owner. An appeal under this subsection shall be promptly heard by the
29 court without a jury and determined not more than thirty (30) days after
30 the time of the filing of the appeal. The court shall hear evidence on the
31 appeal and may confirm the action of the designating body or sustain
32 the appeal. The judgment of the court is a final determination that may
33 be appealed in the same manner as other civil actions.

34 (d) If an appeal under subsection (c) is pending, the payment
35 required by this section is not due until after the appeal is finally
36 adjudicated and the property owner's liability for the payment is finally
37 determined.

38 (e) The county auditor shall determine the amount to be paid by the
39 property owner according to the following formula:

40 STEP ONE: For each year that the deduction was in effect,
41 determine the additional amount of property taxes that would
42 have been paid by the property owner if the deduction had not

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been in effect.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Multiply the sum determined under STEP TWO by one and one-tenth (1.1).

(f) The county treasurer shall distribute money paid under this section on a pro rata basis to the general fund of each taxing unit that contains the property that was subject to the deduction. The amount to be distributed to the general fund of each taxing unit shall be determined by the county auditor according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner to the taxing unit if the deduction had not been in effect.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Divide the STEP TWO sum by the sum determined under STEP TWO of subsection (e).

STEP FOUR: Multiply the amount paid by the property owner under subsection (e) by the STEP THREE quotient.

SECTION 12. IC 6-1.1-43-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. This chapter applies to the following economic development incentive programs:

(1) Grants and loans provided by the department of commerce under IC 4-4.

(2) Incentives provided ~~in an economic revitalization area~~ under IC 6-1.1-12.1.

(3) Incentives provided under IC 6-3.1-13.

(4) Incentives provided in an airport development zone under IC 8-22-3.5-14.

SECTION 13. IC 6-3.1-11-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. The board shall consider the following factors in evaluating applications filed under this chapter:

(1) The level of distress in the surrounding community caused by the loss of jobs at the vacant industrial facility.

(2) The desirability of the intended use of the vacant industrial facility under the plan proposed by the municipality or county and the likelihood that the implementation of the plan will improve the economic and employment conditions in the surrounding community.

(3) Evidence of support for the designation by residents, businesses, and private organizations in the surrounding community.

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(4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan proposed by the municipality or county, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, or IC 36-7-15.1 to assist in the financing of improvements or redevelopment activities benefiting the vacant industrial facility.

(5) Evidence of efforts by the municipality or county to implement the proposed plan without additional financial assistance from the state.

(6) Whether the industrial recovery site is within an economic revitalization area designated under IC 6-1.1-12.1 **or the equipment to be located at the industrial recovery site would be eligible for property tax deductions under IC 6-1.1-12.2.**

(7) Whether action has been taken by the metropolitan development commission or the legislative body of the municipality or county having jurisdiction over the proposed industrial recovery site to make the property tax credit under IC 6-1.1-20.7 available to persons owning inventory located within the industrial recovery site and meeting the other conditions established by IC 6-1.1-20.7.

SECTION 14. IC 6-3.1-11.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. The board shall consider the following factors in evaluating applications filed under this chapter:

(1) The level of distress in the surrounding community caused by the loss of jobs at the vacant military base facility.

(2) The desirability of the intended use of the vacant military base facility under the plan proposed for the development and use of the vacant military base facility and the likelihood that the implementation of the plan will improve the economic and employment conditions in the surrounding community.

(3) Evidence of support for the designation by residents, businesses, and private organizations in the surrounding community.

(4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan for the development and use of the vacant military base facility, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, or IC 36-7-30 to assist in the financing of improvements or redevelopment activities benefiting the vacant military base facility.

(5) Evidence of efforts to implement the proposed plan without

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1 additional financial assistance from the state.

2 (6) Whether the proposed military base recovery site is within an
3 economic revitalization area designated under IC 6-1.1-12.1 **or**
4 **the equipment to be located at the proposed military base**
5 **recovery site would be eligible for property tax deductions**
6 **under IC 6-1.1-12.2.**

7 (7) Whether action has been taken by the legislative body of the
8 municipality or county having jurisdiction over the proposed
9 military base recovery site to establish an enterprise zone under
10 IC 4-4-6.1-3(g).

11 SECTION 15. THE FOLLOWING ARE REPEALED [EFFECTIVE
12 JULY 1, 2005]: IC 6-1.1-12.1-2.3; IC 6-1.1-12.1-9.

13 SECTION 16. [EFFECTIVE JULY 1, 2005] **Notwithstanding the**
14 **amendments to IC 6-1.1-12.1 made by this act, deductions that**
15 **were approved under IC 6-1.1-12.1 before July 1, 2005, remain in**
16 **effect after June 30, 2005, according to the provisions of**
17 **IC 6-1.1-12.1 as they existed on June 30, 2005.**

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